

SUPPORTIVE HOUSING FOR PERSONS EXPERIENCING CHRONIC HOMELESSNESS WORKING GROUP

Meeting 3: Gaps in Capital, Operating and Services Funding

COST CONTAINMENT MEETINGS

September 18 and 26, 2003

MEETINGS SUMMARY

In Attendance: David Carlson (Watson-Forsberg Co.); Terri Cermak (Cermak Rhoades Architects); Kirk Fadner (Collaborative Design Group); David Forsberg (Watson-Forsberg Co.); Bill Hickey (Collaborative Design Group); Rich Kiemen (KM Building Co.); Marv Kotek (Frerichs Construction); Peter Kramer (Roark Kramer Kosowski Design); Tom Schirber (Wilder); Jim Solem (CURA - U of M)

Dick Brustad (Community Housing Development Corporation)
Cynthia Lee (Minneapolis CPED)
Ellen Hart Shegos (Hart Shegos and Associates)
Trisha Kauffman (East Metro Women's Council)
Pam Zagaria (Family Housing Fund)
John Duffy (Duffy Development)
Warren Hanson (Greater Minnesota Housing Fund)
Carolyn Olson (Great Metropolitan Housing Corporation)
Gary Peltier (St. Paul PED)
Joe Errigo (CommonBond)
Eric Grumdahl (Hearth Connection)
Darlene Johnson (Housing Coalition St. Cloud)
Dan Cain (RS Eden)
Mari Moen (Corporation for Supportive Housing)

MHFA: Han Lee, Tim Marx, Julie Ann Monson, Jerry Narlock, Bob Odman, Tonja Orr, Cherie Shoquist, Bruce Watson, Marcia Kolb, Rhonda McCall

How can we contain/reduce the cost of supportive housing for families and individuals? Is program space needed on site? If so, how much? Should we provide one housing unit with 30-year durability versus two units with shorter-term durability?

One Good Idea:

Development and Construction

- Need more money on the front end.
- Streamline legal work in addition to closing documents, eliminate half the due diligence lawyers, problematic mosaic to put together a deal.
- Public bidding.
- Education of contractors.
- Quicker closings.
- Replicate good projects – best practices.
- Smaller units, less amenities, reduce use of garages, number of bathrooms.
- Nominal efficiencies – it all comes down to the number of square feet and the ratio of community space.
- Durability. Focus on quality materials. Cut costs on design not materials.
- Vinyl instead of carpet.
- Technology related to cost savings.
- Modular housing.
- Modular design if appropriate and durable.
- Experience with modular homes – costs \$10,000 more than stick built.
- Do not create cookie cutter supportive housing with public housing stigma.
- Designs that use less materials and re-use materials.
- Value engineering, size of units, consistent floor plans, standardized exteriors costs less than reinventing the wheel, share good ideas.
- Reexamine city requirements regarding code politics, extra costs, etc.
- If standardize, need to include city inspectors. Could inspectors and structural engineers approve four at once?
- Converted units, vacant nursing homes, rural motels.
- Purchase airspace above parking lots.
- Engage labor-trade (example: free labor for ice castle).
- Caution – cut costs still deliver quality projects.
- Life cycle costs, funding to maintain products 25 years down the road, remodeling costs part of product.
- Encourage using existing housing stock and project based Section 8.
- Rental housing with services.
- Vacancies – some areas have plenty of apartments, need combination Bridges, Section 8 voucher with support services.
- Shared houses and living spaces in rural areas.
- Families better in neighborhoods, smaller developments.
- Recently policy emphasis that fewer units provide a better quality of life - can't tell quality of life difference between 168 unit and 12 unit buildings with same management, if the efficiency is in a larger development pursue it.
- If take kitchens out of units, disqualify for support services, CADI waivers etc.

- Kitchen/bathrooms different level of need depending on level of self-sufficiency. After 60 days sobriety, need higher level of privacy as move towards self-sufficiency.

Service Space

- Plan for program space in conjunction with broader community and community resources.
- Set aside one unit for program space that is a residential unit to be available if needs change over time.
- Need to consider staff program space and recreation program space.
- Cost savings of program space determined by population.
- Need design for family space. Better utilize space (example: Winnebago).
- Better to have a community room for families.
- Program space based on need, need services day-to-day or once a week?
- Healthcare services space should not take \$200,000, the cost of a unit.
- Economy of scale ratio of program space to number of units, under 20 units drives costs way up.

Services

- Population is not homogeneous. Mixed populations need different types of housing. Differences (ex. Alliance and Anishinabe Wakiagun with chronic alcoholics) determine level of services.
- On-site services make all the difference. Much higher success rates in on-site, congregate settings than in scattered site.
- Not in agreement on best practices - different populations served by different practices.
- Who are the people we want to serve and what are their needs?
- Providers need to come to table with a plan for services. Providing services does not necessarily mean you need more money.
- Combined staff.

Planning and Politics

- Convince politicians can support developments and be reelected and that neighborhoods not have increased crime. Involve DHS and DOC (funding).
- Siting and better community process.
- Political and neighborhood groups with veto power delay.
- Collaborative costs, spread around, streamline funding.
- Most cost effective to build good housing and programs.
- Need to know where needs are around state.